



State Senator **NANCY CASSIS** *E-News Update*

Live healthy, pay less

Michigan residents who live healthier will have the opportunity to pay less for health insurance under legislation passed by the Senate. Insurance companies will be allowed to create health incentive programs that reward healthy behavior with lower insurance rates.

Senate Bills 848 and 849 will allow insurers, HMOs and non-profit healthcare corporations to offer wellness coverage and provide premium rebates for participation. Currently, health insurance companies, unlike life, home or auto insurance carriers, are forbidden by state law from offering incentives for good behavior.

Rising healthcare costs have taken their toll on every sector in Michigan, including businesses, schools and state government. This has forced employers to drop health coverage, require employees to pay more or lay off workers. A 2004 Altarum study found that Michigan, when compared with selected benchmark states, ranked second highest in obesity, sixth highest in smoking, highest in coronary heart disease and second highest in diabetes.

The bills are now before the House for consideration.

Cassis introduces groundbreaking legislation

I have introduced legislation that would enable municipalities in the state to issue bonds that would fully fund retiree healthcare trust funds. Currently, most municipalities pay healthcare obligations yearly. This legislation would allow those obligations to be pre-funded and provide savings to taxpayers.

The legislation will permit counties and municipalities to pre-fund healthcare without increasing taxes. The bill is the first of its kind in the nation.

Rising costs, including the cost of healthcare for employees and retirees, are forcing municipalities to cut back on essential services. Retiree healthcare benefits are often reduced to help towns and cities meet their budgets.

This legislation, known as the Health Care Trust Fund, mandates a county or municipality put in place a number of taxpayer safeguards to reduce risk, including a plan to reduce healthcare costs and an actuarial report to ensure financial accountability.

Oakland County Executive L. Brooks Patterson recently said he plans to issue \$500 million in bonds to pay for county retirees' healthcare costs. I have worked closely with Patterson and the Oakland County Treasurer Pat Dohany on crafting this legislation.

SB 1360 is expected to be referred to the Senate Finance Committee for consideration.

Contact Information:

The E-News Update by Senator Nancy Cassis is designed to provide residents and organizations with a periodic update of my activity in Lansing. If you have any questions or do not wish to receive this e-mail, please contact my office.

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